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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/683,515	01/11/2002	Timothy M. Carfi	109.0019	1523
27997	7590	05/19/2006	EXAMINER	
PRIEST & GOLDSTEIN PLLC 5015 SOUTHPARK DRIVE SUITE 230 DURHAM, NC 27713-7736			PASS, NATALIE	
			ART UNIT	PAPER NUMBER
			3626	

DATE MAILED: 05/19/2006

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b> 09/683,515	<b>Applicant(s)</b> CARFI ET AL.	
	<b>Examiner</b> Natalie A. Pass	<b>Art Unit</b> 3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) ☒ Responsive to communication(s) filed on 11 January 2002.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |                                                                                                                        |                                                                                         |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)                                            | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____                                                |

**DETAILED ACTION**

***Notice to Applicant***

1. This communication is in response to the application filed 11 January 2002. Claims 1-20 are pending.

***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claim 18 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

(A) Claim 18 recites the limitation "the method of claim system of claim 7" in line 1; however claim 7 recites a system while claim 18 appears to be a method claim. It is unclear how a method claim can be dependent on a system claim. For the purpose of applying art, Examiner assumes claim 18 to read "the method of claim 17."

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-4, 6-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lundegren, U.S. Patent Application Publication Number 2002/0143584 and further in view of Kelly et al., U.S. Patent Number 5, 806, 042.

(A) As per claim 1, Lundegren teaches a system for performing a financial analysis of proposed captive reinsurance options, comprising:

a server computer (Lundegren; Figure 1, paragraph [0027]);

at least one terminal connected into a network with the server computer, the terminal receiving inputs from, and providing outputs to, a user (Lundegren; Figure 1, paragraphs [0026]-[0027]); and

a software module run by the server computer (Lundegren; Figure 2, paragraph [0027]) for performing a financial analysis of proposed captive reinsurance options based upon inputs received at the terminal from a user (Lundegren; Figure 2, paragraphs [0009], [0011], [0031]-[0032], [0041]-[0043], [0049], [0061]), the terminal displaying results of the financial analysis to the user (Lundegren; Figure 2, Figure 3, Figure 4, Figure 5, paragraphs [0009]-[0011], [0057], [0061]).

Although Lundegren fails to explicitly disclose the user inputs specifically including reinsurance structure, type of reinsurance, net premium cede, new insurance written and portfolio loan-to-value mix, Lundegren does teach the user inputting reinsurance parameters from drop-down menus, i.e. “[t]he parameters for which information is sought in the first section 33 focus primarily on financial terms of the reinsurance and additional contractual provisions. Boxes or spaces are provided in the first section 33 for use by the client to provide information

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concerning; coverage type, box 38; coverage basis, box 39; coverage limit, box 40; attachment/retention, box 41; ceding commission, box 42; payment terms, box 43; and brokerage fees, 44,” (Lundegren; Figure 2, paragraph [0042]); and Lundegren also teaches “[i]t is also foreseen that the submission screen 30 could be modified to incorporate boxes or the like to allow selection or modification of these provisions” (Lundegren; Figure 2, paragraph [0046]).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Lundegren to include these limitations, with the motivation of allowing modification of the submission screen to enable “the client ...[to] ... customize at least some of the remaining terms and conditions of the reinsurance proposal” (Lundegren; paragraph [0046]).

Although Lundegren teaches reinsurance options, Lundegren fails to explicitly disclose captive reinsurance options.

However, the above features are well-known in the art, as evidenced by Kelly.

In particular, Kelly teaches captive reinsurance options (Kelly; column 6, lines 24-41).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Lundegren to include these limitations, as taught by Kelly, with the motivations of providing analytical and management capabilities for evaluating a plan with a reinsurance option and of providing a system for designing, implementing and monitoring company-owned insurance plan parameters in an efficient integrated system (Kelly; column 3, lines 57-60, column 4, lines 1-3).

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(B). As per claims 2-4, 11-12, Lundegren and Kelly teach a system as analyzed and discussed in claim 1 above

wherein the software module calculates a gross premium cede and a ceding commission based upon the inputted net premium cede, and wherein the calculated gross premium cede and the ceding commission are displayed at the terminal to the user (Lundegren; paragraphs [0032], [0045], [0048], [0057], [0061], [0081]);

wherein, if the selected type of reinsurance is excess-of-loss reinsurance (Lundegren; paragraphs [0005]), the software module calculates risk tiers (Lundegren; paragraphs [0050], [0083]), which are displayed at the terminal to the user (Lundegren; paragraphs [0009], [0027], [0014], [0082], [0087]); Examiner interprets Lundegren's teachings of "determine a risk of loss" (Lundegren; paragraphs [0050]) to be a form of calculating risk tiers;

wherein the calculated risk tiers include first and second attachment points (Lundegren; paragraphs [0042], [0044]);

further including a website administered by the server computer, the software module being accessed through the website (Lundegren; Figure 2, , paragraph [0018], [0027]); and

further including an applications programming interface run by the server computer for providing access to a plurality of software modules through the website (Lundegren; Figure 2, paragraphs [0018], [0027]).

(C) As per claims 6-10, Lundegren and Kelly teach a system as analyzed and discussed in claim 1 above

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wherein the software module incorporates assumptions and captive reinsurance product data, which are used in performing the financial analysis (Kelly; column 7, lines 57-66, column 12, line 55 to column 13, line 6);

wherein the software module provides as a further output displayed at the terminal a list of assumptions upon which the financial analysis is based, including claims rate, prepayment speed, and pre-tax investment rate (Lundegren; Figure 4, Figure 6, paragraphs [0022], [0058]-[0061]);

wherein the terminal receives as an input adjustments to the variables such as claims rate, prepayment speed, and pre-tax investment rate (Lundegren; Figure 2, paragraphs [0009], [0011], [0031]-[0032], [0041]-[0043], [0049], [0061]), and wherein the software module performs a financial analysis based upon the adjusted values (Lundegren; Figure 4, Figure 6, paragraphs [0009]-[0011], [0022], [0057]-[0061]); although Lundegren and Kelly fail to explicitly disclose the inputs and outputs specifically including claims rate, prepayment speed, and pre-tax investment rate, Examiner interprets Lundegren's teachings of "generates a prospectus page 83, see FIG. 4, incorporating information to be used by participating reinsurers," (Lundegren; paragraph [0058]) and "[t]he terms and conditions referenced through button 99 generally correspond with the terms selected by the client through submission screen 30. Such terms might include ...[additional provisions] .... It is also foreseen that these terms could be individually listed on screen 83" (Lundegren; paragraph [0059]) to be a form of including claims rate, prepayment speed, and pre-tax investment rate;

wherein the adjustments to the variables such as claims rate, prepayment speed, and pre-tax investment rate are made by inputting a multiplier for each of the variables such as claims

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rate, prepayment speed, and pre-tax investment rate (Lundegren; Figure 4, Items 92 and 94, paragraphs [0058]-[0061]); Examiner interprets Lundegren's teachings of "generates a prospectus page 83, see FIG. 4, incorporating information to be used by participating reinsurers," (Lundegren; paragraph [0058]) and "[t]he terms and conditions referenced through button 99 generally correspond with the terms selected by the client through submission screen 30. Such terms might include ...[additional provisions] .... It is also foreseen that these terms could be individually listed on screen 83" (Lundegren; paragraph [0059]) to be a form of including claims rate, prepayment speed, and pre-tax investment rate; and

wherein each multiplier is inputted as a percentage, which may be over or under 100 percent (Lundegren; Figure 4, Items 92 and 94, paragraphs [0058]-[0061]).

(D) Claims 13-15 differ from system claims 1, 7, and 8 in that they are drawn to a website rather than a system for performing a financial analysis of proposed captive reinsurance options.

As per this limitation, Lundegren clearly discloses his invention to be implemented on a website (Lundegren; Figures 2-6, paragraphs [0018], [0027], [0055]-[0060]);. The remainder of claims 13-15 repeat the limitations of claims 1, 7, and 8 and are therefore rejected for the same reasons given above for claims 1, 7, and 8.

The motivations for combining the respective teachings of Lundegren and Kelly are as given in the rejection of claim 1 above, and incorporated herein.



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(E) Claim 16 differs from system claim 1, in that it is a method rather than a system for performing a financial analysis of proposed captive reinsurance options.

Method claims 16-20 recite the underlying process steps of system claims 1, 7-10, respectively. As the elements features of claims 1, 7-10 have been shown to be either disclosed by or obvious in view of the collective teachings of Lundegren and Kelly, it is readily apparent that the apparatus disclosed by the applied prior art performs the recited underlying functions. As such, these limitations recited in claims 16-20 are rejected for the same reasons given above for system claims 1, 7-10, and incorporated herein.

6. Claim 5 is rejected under 35 U.S.C. 103(a) as being unpatentable over Lundegren, U.S. Patent Application Publication Number 2002/0143584 and Kelly et al., U.S. Patent Number 5, 806, 042, as applied to claim 1 above, and further in view of Lange, U.S. Patent Application Publication Number 20020/0147670.

(A) As per claim 5, Lundegren and Kelly teach a system as analyzed and discussed in claim 1 above.

Lundegren and Kelly fails to explicitly disclose a system wherein the inputs relating to portfolio loan-to-value mix include percentage allocations of loans in the portfolio to defined loan-to-value categories.

However, the above features are well-known in the art, as evidenced by Lange.

In particular, Lange teaches

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wherein the inputs relating to portfolio loan-to-value mix include percentage allocations of loans in the portfolio to defined loan-to-value categories (Lange; paragraph [00237]).

It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the system of Lundegren to include these limitations, as taught by Lange, with the motivation of analyzing complex financial products (Lange; paragraph [0006]).

### ***Conclusion***

7. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure. The cited but not applied references Slyke, et al., U.S. Patent Application Publication Number 2002/0042770, Smith., U.S. Patent Application Publication Number 2002/0091610, Kahn et al., U.S. Patent Application Publication Number 2002/0184148, Reader, et al., U.S. Patent Application Publication Number 2002/0143583, Kramer., U.S. Patent Application Publication Number 2002/0138307, Laurenzano, U.S. Patent Application Publication Number 2002/0046066, Moore et al, U.S. Patent Application Publication Number 2003/0195776, and Castro, U.S. Patent Application Publication Number 2002/0091991 teach the environment of analysis of reinsurance options.

8. Any response to this action should be mailed to:

**Commissioner of Patents and Trademarks  
Washington D.C. 20231**

or faxed to: **(571) 273-8300.**

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For informal or draft communications, please label "PROPOSED" or "DRAFT" on the front page of the communication and do NOT sign the communication. After Final communications should be labeled "Box AF."

9. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Natalie A. Pass whose telephone number is (571) 272-6774. The examiner can normally be reached on Monday through Thursday from 9:00 AM to 6:30 PM. The examiner can also be reached on alternate Fridays.
10. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached at (571) 272-6776. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Receptionist whose telephone number is (571) 272-3600.
11. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Natalie A. Pass

May 15, 2006



C. LUKE GILLIGAN  
PATENT EXAMINER